

## GREENVILLE CITY COUNCIL MINUTES

October 9, 2006  
Greenville, NC

The Greenville City Council met on the above date at 6:00 p.m. in the City Council Chambers of City Hall with Mayor Robert D. Parrott presiding. The meeting was called to order, followed by the invocation by Council Member Spell and the pledge of allegiance to the flag. The following were present.

Mayor Robert D. Parrott  
Mayor Pro-Tem Mildred A. Council  
Council Member Ray Craft  
Council Member Pat Dunn  
Council Member Rose H. Glover  
Council Member Chip Little  
Council Member Larry Spell  
City Manager Wayne Bowers  
City Attorney Dave Holec  
Deputy City Clerk Patricia A. Sugg

### APPROVAL OF AGENDA

Motion was made by Mayor Pro-Tem Council and seconded by Council Member Little to approve the agenda as presented. Motion carried unanimously.

### CONSENT AGENDA

Motion was made by Council Member Little and seconded by Council Member Spell to approve the items under the consent agenda as presented. Motion carried unanimously.

1. Minutes from the September 11 and September 14, 2006 City Council meetings and the September 25, 2006 Joint City Council-Greenville Utilities Commission meeting - Approved
2. Various tax refunds - Approved
3. Resolution accepting dedication of rights-of-way and easements for Barrington Fields, Section 1, and Fieldstream at Sawgrass Pointe (Resolution No. 06-48)

### PRESENTATIONS BY BOARDS AND COMMISSIONS

#### Recreation and Parks Commission

Mr. Jimmy Bond, Vice-Chairman of the Recreation and Parks Commission, stated that the Recreation and Parks Department offers over 500 programs. This past year, the skatepark was

revamped and had a grand reopening. Dave Mirra, Ryan Nyquist, and other celebrities were there to sign autographs and promote the park. Lights have been added to the skatepark. Harvey Lewis donated over 25 acres for the Greenfield Terrace Park and Bill Clark donated property on Firetower Road for Paramore Park, which will open November 1. The park has a picnic shelter, parking lot, and a playground partially covered by a sunshade. Citizens make a difference in helping provide these recreational opportunities for other citizens. The Red Oak/Oakdale Park construction is underway, and Phase 1 is almost completed. Improvements to Guy Smith Park include renovations to the prep field, stadium and City pool; addition of new lights to the stadium and prep field; paving of the parking lot; installation of irrigation; the addition of a picnic shelter and landscaping; and the addition of handicapped accessible walkways and ramps. These improvements were partially funded with funds from the North Carolina Parks and Recreation Trust Fund. A \$500,000 grant was also received from the Trust Fund to be used to renovate the Aquatics and Fitness Center. Other accomplishments this year include a play area being constructed on Tobacco Road, a cross country trail being constructed at H. Boyd Lee Park named in honor of Bo Thompson (a cross country runner who lost his life in an automobile accident). The cross country trail was a collaborative effort by a large group of volunteers, the Public Works Department and the Recreation and Parks Department. Another highlight of the year is the disc golf course at West Meadowbrook, which was made possible with the assistance of the Disc Golf Club and the Recreation and Parks Department. Paved walkways providing access to playgrounds were added at Woodlawn and Elm Street Park. Additional walkways will be added at South Greenville, Thomas Foreman Park, Westhaven Park and Peppermint Park. Tennis courts at Elm Street Park were resurfaced, and they used the U.S. Open blue color scheme. River Birch tennis courts received new lighting, and new weight equipment was received for the South Greenville Recreation Center. New space heaters were added to the gyms at Elm Street, Eppes Recreation Center, and South Greenville Recreation Center. Walkways at the Town Common were resurfaced. Through a collaborative effort with the Pitt County Health Department, a one-half mile and one mile walking trail have been identified and marked at the Town Common. The Commission is proud of the staff, who continues to raise the bar.

Mayor Parrott expressed appreciation for the time and effort that Mr. Bond and the other commissioners put in for the City.

#### Pitt-Greenville Airport Authority

Mr. Wayne Holloman, Chairman of the Pitt-Greenville Airport Authority introduced Jim Turcotte, Manager of the Airport. Mr. Holloman reminded the Council that the Airport does not have to be subsidized by tax dollars from the City or County. It is a healthy, thriving organization.

Mayor Parrott thanked Mr. Holloman and the members of the Airport Authority for their service to the City.

Mr. Jim Turcotte expressed appreciation to the staff and Council for the City's support of the airport. He provided a pictorial history of the Airport, going from the early 1940s until today. On October 5, US Airways Regional jet service began at the Pitt-Greenville Regional Airport. Lease fees, advertising fees, the restaurant, etc. generate over 50 percent of the revenue of the

Airport. They have been able to conduct the day-to-day operation of the airport service without receiving City and County tax dollars for over 21 years. Prior to 1985, the City and County provided over 60% of the annual Operation's budget, which would be over \$850,000 in today's dollars. They have been able to provide the funds necessary to fund all federal and state aid grant for the past seven fiscal years, whereby nearly \$19 million of capital improvements have been undertaken. Those funds can only be used for infrastructure or specialized equipment and not for the continued operation or maintenance, so each year a larger portion of the funds are taken up to keep the operations on-line. They are completing the \$2 million fire/rescue building addition along with the primary taxiway realignment and higher corporate site development at \$1.3 million. Many of the services the Airport provides are purely governmental in nature and no direct revenues are received. They are much more than an airline-point-of-service. It is extremely important to the economic vitality of the community. In 2005, when US Airways was going through economic difficulties, the Pitt-Greenville Airport was thriving and service through Philadelphia by US Airways was discussed. A major Department of Transportation grant was received to facilitate that. It was not known at that time that it was being acquired by America West Airlines. Doing so allowed for continuity of air service in Greenville; however, it placed the opportunity for Philadelphia service on the back burner. The Department of Transportation grant is viable until December 2007 and he will continue his dialogue with US Airways until that time. The Economic Stimulus Plan has been very successful, generating over \$24 million of aircraft inventory that has remained. The net combined tax collection of Pitt County and the City of Greenville have increased by 58 percent from the original baseline. Mr. Turcotte concluded his presentation by stating that the partnership between the City of Greenville, County of Pitt, and the Pitt-Greenville Airport has been very successful.

Upon being asked when the Philadelphia service would begin, Mr. Turcotte responded that he has been advised that it will be summer or fall of 2007. It is an issue of equipment.

Mayor Pro-Tem Council expressed her concern about jets flying over the surrounding neighborhoods and how she had predicted that the airport would become a jetport.

Mr. Turcotte stated that it had been addressed in 1988 and there were discussions about jumbo jets coming in. At that time, it was stated that Greenville would have 50-passenger regional jets. In 1998, with the realignment of NC 33, it was discussed that there would be 50-passenger regional jets. That is exactly what they have. This is just another way to propel the plane, because they had a 50-seat turboprop coming. Having jets fly over one's house is the nature of the business, and there are places where many more jets fly over someone's home than in Greenville. People in Greenville that hear the jets going over their home are hearing the quietest jet in the world. If Greenville is going to progress, it needs to do so with the aviation industry, and he hopes they have done so in an honorable fashion.

#### PRESENTATION OF THE ANNUAL AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2006 - APPROVED

Ms. Bernita Demery, Director of Financial Services, stated that the Fund Balance serves as a measure of the City's financial resources available. The three classifications of Fund Balance are reserved, unreserved designated, and unreserved undesignated. Currently, the Fund Balance

totals \$28.6 million, with \$9.2 million being required reservations, leaving an available Fund Balance of \$19.4 million. The Council designated Fund Balance is \$4.6 million, leaving \$14.8 million for unreserved undesignated Fund Balance. The unreserved Fund Balance as a percentage of expenditures has increased from 10% in FY 2001-02 to 36% in FY 2005-06. The top three revenues in the General Fund generate \$39.2 million of revenues (69%) and include property tax (40%), sales tax (22%), and utility franchise tax (7%), with other revenues totalling 31% (other taxes, intergovernmental, other licenses, permits, fees, sales and services, and miscellaneous revenue). The outstanding debt as of June 30 was \$40.3 million. The debt margin as of June 30, 2006 was \$284.9 million, and future debt is \$20.8 million (October 2006/2008) and \$10.2 million (October 2009). The debt policy of the City is that debt will not exceed 2.5% of the assessed property value, and the actual debt is one percent of assessed value.

Ms. Demery continued by stating that the four Enterprise Funds are Aquatics/Fitness, Public Transportation, Golf Course and Stormwater Utility. For Aquatics/Fitness, revenues are \$558,751 and expenditures are \$547,788, for a difference of \$10,963. For Public Transportation, revenues are \$1,215,938 and expenses are \$1,592,795, for a difference of -\$376,857. For Golf Course, the revenues are \$850,050 and the expenses are \$912,910, for a difference of -\$62,860. For Stormwater Utility, the revenues are \$3,001,324 and the expenses are \$1,725,215, for a difference of \$1,276,109. For purposes of financial planning, the new General Fund General Obligation Bond debt service will be \$1.2 million. The proposed new certificates of participation will be \$800,000.

Ms. Demery introduced Bryan Starnes with Martin Starnes and Associates out of Hickory, who gave an unqualified opinion on the City's FY 2005-06 Audit, having found no findings or questioned costs. No material internal control weaknesses were identified. Greenville's Fund Balance is very healthy, with it being in the top third of cities of similar size.

Mr. Starnes responded to questions asked by the City Council.

Motion was made by Council Member Glover and seconded by Council Member Dunn to accept the Audit Report. Motion carried unanimously.

RESOLUTION PROVIDING FOR THE ISSUANCE OF \$12,715,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2006 - ADOPTED

Ms. Bernita Demery, Director of Financial Services, introduced the following resolution, a copy of which had been provided to each Council Member, and was read by its title:

"COPY"

RESOLUTION PROVIDING FOR THE ISSUANCE OF \$12,715,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2006

BE IT RESOLVED by the City Council of the City of Greenville:

Section 1. The City Council has determined and does hereby find, declare and represent:

(a) That orders authorizing \$5,700,000 Street Improvement Bonds, \$5,000,000 West Greenville Revitalization Bonds, \$5,000,000 Center City Revitalization Bonds and \$5,100,000 Stormwater Drainage Bonds of said City were adopted by the City Council on November 22, 2004, each of which orders was approved by the vote of a majority of the qualified voters of said City who voted thereon at a referendum duly called and held on November 2, 2004.

(b) That none of the aforementioned bonds has been previously issued.

(c) That no notes have been issued in anticipation of the receipt of the sale of the bonds mentioned in subparagraph (a) above.

(d) That it is necessary at this time to issue all \$5,100,000 of the Stormwater Drainage Bonds, \$840,000 of the Street Improvement Bonds, \$3,775,000 of the West Greenville Revitalization Bonds, and \$3,000,000 of the Center City Revitalization Bonds.

(e) That it is desirable to consolidate for the purpose of their issuance the bonds to be issued as described in subparagraph (d) above into a single issue of bonds, such bonds to be designated "General Obligation Public Improvement Bonds, Series 2006" and to have such terms as hereinafter provided.

(f) That the weighted average of the maximum periods of usefulness of the improvements financed or to be financed with the proceeds of said bonds to be issued as described in subparagraph (e) above is estimated as a period of at least 21 years from November 1, 2006, the date of the bonds to be issued as hereinafter provided, and that such period does not expire prior to November 1, 2027.

Section 2. Pursuant to the respective orders mentioned above, there shall be issued bonds of the City of Greenville, North Carolina (the "Issuer") in the aggregate principal amount of \$12,715,000, designated "General Obligation Public Improvement Bonds, Series 2006" and dated November 1, 2006 (the "Bonds"). The Bonds shall be stated to mature annually, May 1 \$225,000 2008 to 2011, inclusive, \$415,000 2012 and 2013, \$490,000 2014 and 2015, \$485,000 2016, \$715,000 2017, \$830,000 2018, \$835,000 2019, \$840,000 2020, and \$900,000 2021 to 2027, inclusive, and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable semiannually on May 1 and November 1 of each year, the first interest payable on May 1, 2007, until payment of such principal sum. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest and any redemption premium on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One fully-registered Bond certificate for each stated maturity of the Bonds, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the Issuer may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by the Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to the beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Director of Financial Services of the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified securities depository to replace DTC, the Issuer will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the Issuer may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC. Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Mayor and the City Clerk of the Issuer and the corporate seal or a facsimile of the corporate seal of the Issuer shall be impressed or imprinted, as the case may be, on the Bonds. The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the Issuer or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. and the endorsements thereon shall be in substantially the following forms:

No. R-\_\_\_\_\_ \$\_\_\_\_,\_\_\_\_,\_\_\_\_

United States of America  
State of North Carolina  
City of Greenville

CITY OF GREENVILLE

#### GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2006

Maturity Date	Interest Rate	CUSIP
_____ 1, 20__	____%	_____

The City of Greenville, North Carolina (the "Issuer"), a municipal corporation in Pitt County, North Carolina, is justly indebted and for value received hereby promises to pay to CEDE & CO. or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Director of Financial Services of the Issuer (the "Bond Registrar"), the principal sum of \_\_\_\_\_ DOLLARS and to pay interest on such principal sum from the date hereof or from the May 1 or November 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a May 1 or November 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on May 1 and November 1 in each year, the first interest payment date being May 1, 2007, at the rate per annum specified above, until payment of such principal sum. The interest

so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of the Issuer. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the Issuer are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "General Obligation Public Improvement Bonds, Series 2006 (the "Bonds") and issued by the Issuer for the purpose of providing funds, together with any other available funds, for constructing street improvements and storm water drainage facilities for the Issuer and revitalizing the West Greenville and Center City areas of the City, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, four orders adopted by the City Council of the Issuer, each of which was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held, and a resolution duly passed by said City Council (the "Resolution").

The Bonds maturing prior to May 1, 2017 are not subject to redemption prior to maturity. The Bonds maturing on May 1, 2017 and thereafter may be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than May 1, 2016, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000 and, further, that so long as a book-entry system with The Depository Trust Company, New York, New York ("DTC") is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be determined by the Issuer.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and given by certified or registered mail to Cede & Co., the nominee of DTC, at its address appearing upon the registration books of the Issuer. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price



provided for the redemption of such Bonds or portions thereof on such date plus accrued interest to such date and, if moneys for payment of such redemption price and the accrued interest have been deposited by the Issuer as provided in the Resolution, interest on the Bonds or the portion thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, the Issuer will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of the Issuer for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the corporate limits of the Issuer sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of the Issuer, including this bond, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Issuer, by resolution duly passed by its City Council, has caused this bond to be manually signed by its Mayor and its City Clerk and its corporate seal to be impressed hereon, all as of the 1st day of November, 2006.

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Mayor

[SEAL]

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City Clerk

#### CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina

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Secretary, Local Government Commission

#### CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

Director of Financial Services of the  
 City of Greenville, North Carolina,  
 as Bond Registrar

By: \_\_\_\_\_

Authorized Signatory

Date of authentication: \_\_\_\_\_

### ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_  
 \_\_\_\_\_

Signature Guaranteed:  
 \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing prior to May 1, 2017 will not be subject to redemption prior to maturity. The Bonds maturing on May 1, 2017 and thereafter will be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than May 1, 2016, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000 and, further, that so long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be determined by the Issuer.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at his address appearing upon the registration books of the Issuer, provided that such notice to Cede & Co. shall be given by certified or registered mail. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event the Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letter, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, have been deposited by the Issuer to be held in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no

rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the Issuer or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such

payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. The Director of Financial Services of the Issuer is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the governing body of the Issuer to appoint another Bond Registrar, and as such shall keep at his office the books of the Issuer for registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The Issuer covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended, except to the extent that the Issuer obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Bonds being includable in the gross income of the owners of the Bonds for purposes of federal income taxation.

Section 7. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

(a) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2006, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2006, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings "The City – Debt Information" and "The City – Tax Information" in the Official Statement relating to the Bonds (excluding any information on overlapping units) and (ii) the combined budget of the Issuer for the current fiscal year, to the extent such items are not included in the financial statements referred to in (a) above;

(c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds;
- (8) call of any of the Bonds for redemption;
- (9) defeasance of any of the Bonds;
- (10) release, substitution or sale of property securing repayment of the Bonds; and
- (11) rating changes; and

(d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds then outstanding may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Issuer reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Official Statement relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the registered owners of a majority in principal amount of the Bonds then outstanding pursuant to the terms of this resolution, as it may be amended from time to time.

The Issuer agrees that the annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 8. The actions of the Director of Financial Services of the Issuer in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds and the action of the Local Government Commission of North Carolina in asking for sealed bids for the Bonds by publishing notices and printing and distributing a Preliminary Official Statement and a Supplement to such Official Statement relating to the sale of the Bonds are hereby ratified and approved. Such Preliminary Official Statement, to be dated October 13, 2006 and substantially in the form presented to the City Council, is hereby approved, and the Mayor, the City Manager and the Director of Financial Services of the Issuer are each hereby authorized to approve changes in such Official Statement, to approve such Supplement, and to execute such Official Statement and such Supplement for and on behalf of the Issuer.

Section 9. The Letter of Representations, if required by DTC in connection with the issuance of the Bonds and in substantially the form presented at this meeting, is hereby approved, and the Director of Financial Services of the Issuer is hereby authorized to complete and execute such Letter of Representations and to deliver the same to DTC for and on behalf of the Issuer.

Section 10. This resolution shall take effect upon its passage.

"COPY"

After consideration of the foregoing resolution and distribution of a copy of the preliminary official statement, motion was made by Council Member Little and seconded by Council Member Spell to adopt the foregoing resolution. Motion carried unanimously. (Resolution No. 06-49)

#### REVIEW OF OCTOBER 12, 2006 CITY COUNCIL AGENDA

The Mayor and City Council reviewed the October 12, 2006 City Council agenda and the appointments to boards and commissions were discussed.



### COMMENTS FROM MAYOR AND CITY COUNCIL

Council Member Glover asked that her comments made at the September 14 meeting be added to the minutes to be considered for approval at Thursday night's meeting.

Motion was made by Mayor Pro-Tem Council and seconded by Council Member Glover for the City Clerk's Office to put the comments in writing to the Council in Notes to Council and for this item to be added to the October 12 City Council agenda. Motion carried unanimously.

Council Member Dunn read the names of the winners of the Biennial Community Appearance Awards and thanked them for having beautification for people to enjoy.

Council Member Dunn congratulated the City Clerk's daughter for receiving an award at East Carolina tonight, that being the reason the City Clerk is not present.

Council Member Craft stated that Lynncroft representatives came from Charlotte to receive the award. They were pleased with the reception they received from Greenville, which is a reflection on the staff.

Mayor Pro-Tem Council congratulated the group that put on the Disabilities Resources Fair last week. She was able to share the resources available through her employer.

Council Member Spell congratulated all the Biennial Award winners and the people from Lynncroft who came from Charlotte.

Council Member Spell announced early voting and polling locations.

Mayor Pro-Tem Council announced the Meet the Candidates Forum tomorrow evening at the Hilton.

### CITY MANAGER'S REPORT

City Manager Bowers announced that this is Fire Prevention Week and numerous events have been planned for that.

City Manager Bowers reminded the Council of the Boards and Commissions reception being held on October 12 to honor the members of the boards and commissions.

City Manager Bowers stated that he would like some direction on Thursday night regarding the annual retreat. January 27 appears to work on staff's schedule. He asked the Council to check their schedules and decide whether they want a facilitator.

City Manager Bowers stated that in response to requests to provide more information on public information and in response to the Council's goal to increase public information activities, he has asked the Public Information Officer, Steve Hawley, to make a presentation.

Mr. Steve Hawley stated that the office has begun an informational campaign targeted to students, the "Take Heed Campaign". The information is provided on magnets and in booklets. The publications contain information from the City and East Carolina University (noise ordinance, parking issues, etc. from the City and things such as how to have a responsible party off-campus from East Carolina University). They are trying to make it more student friendly. The Take Heed Campaign compares "good pirate"/"bad pirate", which was designed by Steven Maguire. The Student Neighborhood Relations Facilitator's Office will be paying for an ad in every East Carolinian from the City, such as the "three unrelated persons in one dwelling unit" regulation. The Public Information Office has changed the look of City messages, giving them a much more uniform appearance, using a bar and the City seal. The GTV-9 programming has also been enhanced and there is a program guide. A television show called "Cityscene" has been created to provide information on City programs, services, events and people. Instead of commercials, public safety announcements about City services are used. A citizen action line has been opened and requests for information may be used for programming. Other ways information has been made available has been through the streaming video of Council meetings. It is hoped that the other videos will be streamed next year. City Council meetings are also available on DVD at Sheppard Memorial Library, Carver Library, and East Branch Library. He gave credit to his staff--Jonathan Edwards (full-time Communications Technician), Steven Maquire (part-time Communications Technician), and Colleen Sicley (receptionist).

Council Members expressed their appreciation to the Public Information Office for the wonderful job it is doing, the new programs and the enhancements of old programs.

#### ADJOURNMENT

Motion was made by Council Member Spell and seconded by Council Member Craft to adjourn the meeting at 7:20 p.m. Motion carried unanimously.

Respectfully submitted,

Wanda T. Elks, MMC  
City Clerk